

Monitoring Overview:

February 08, 2021 - Ends – 4 & Executive Limitations – 7, 8, 10, 11, 12

Executive Limitations policies and **Ends** policies monitoring require information from the CEO.

Board Executive Linkage is reported on by the Board Chair and reports annually or more often as needed.

Governance Policies are monitored by the Board Affairs committee and reported to the full board throughout the year.

Steps for the CEO in writing a monitoring report:

Step 1: Restate the policy

Step 2: State the reasonable interpretation of the policy, (may include defining words in the policy). State why this interpretation is reasonable.

Step 3: State what compliance looks like (observable condition).

Step 4: Provide evidence of achievement and compliance. Format: observable condition with data.

Step 5: Report of compliance or steps moving toward compliance.

The report is submitted to the Board in advance of their meeting, and members review the report ahead of the meeting. If more data is needed or if there are any other questions, the CEO will address it at the next meeting. If policy needs to be revised, that can be passed by the Board at any Board meeting.

February 08, 2021 - Ends – 4 & Executive Limitations – 7, 8, 10, 11, 12

ENDS: 4

4. Compassion and acceptance are shown to all who enter our doors, thereby enabling them to share healing and peace with others.

Reasonable interpretation: Upholding our guiding values of “Hospitality, a Prayerful Environment, Compassion, Christ Centered Spirituality and Service to All” consistently. We do not discriminate when welcoming our guests whether for a hosted event or one of our Passionist weekend retreats or programs. We strive to treat everyone with dignity and respect. This interpretation encourages all who work here to look for Christ in others.

Evidence of compliance – This year our protocols are, in part, a demonstration of how we value and care for all who come to us. The covid protocols are for everyone’s benefit and implemented out of respect for each other. This year although fewer surveys, 80% came away wanting to be better listeners, to God primarily and to their family and friends. Many felt inspired and hopeful and safe. Some of the comments were they “intended to be a calm sense of purpose and peace” This is directly in compliance with our ENDS statement. Many others (30%) were recommending the retreat to other friends who were hesitant to come.

We are in compliance.

EL 7 - FINANCIAL PLANNING/BUDGETING

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the board's ENDS policies, risk fiscal jeopardy, or fail to be derived from a multi-year capital improvement plan. Accordingly, the Director of Mission and Ministry shall not allow budgeting which:

1. Fails to include a credible projection of revenues and expenses; separation of capital, restricted, and operational items; cash flow; and disclosure of planning assumptions;
2. Additionally, the Director of Mission and Ministry shall not fail to comply with the approval levels for non-budgeted or items materially exceeding budget:

Under \$10,000 Director of Mission and Ministry

Over \$10,000 Director of Mission and Ministry + finance / Audit committee

Over \$100,000 Director of Mission and Ministry + Treasurer

Reasonable interpretation of this policy: Create capital and operating budgets that are realistic and adhered to throughout the fiscal year. Forecast cash flow and adjust it throughout the year using it as a tool for financial decision making. Follow the guidelines for approvals for any non-budgeted items materially exceeding the budget. Compliance to this policy would be evidenced by a well thought out and justifiable budget reviewed by the Finance and Audit committee and approved by the Board and Provincial Council. Also, any material deviation from the budget being noted and discussed in meetings with the Finance and Audit committee to promote transparency. Having the appropriate documentation for any non-budgeted material expense.

To this end:

We are beginning to think about next year's budget for fiscal 2021/2022. We meet with all departments to get their input in order to have a good estimate of needs and expectations. We have used this same process the past five years and have been in line with our budget with the exception of this year. This year we created our budget prior to the lockdown initiated in March of 2020. We revised our budget again for June and although we felt it was conservative (at under 50% capacity), we did not anticipate the additional restrictions through this current time. Our hosted groups have fallen off to less than 40% of our budget. Our fundraising and generous benefactors have kept our doors open during this time. We have borrowed from our reserves yet it was a planned event to use the restricted donation from 2019 to complete the work on the HVAC digital controls. That project was approved by the Provincial. When we have had large unbudgeted items, we have informed the treasurer to be sure he is aware of the issue and reason. So far this year, we have not had any large unbudgeted expenses. All restricted donations are accounted for in accordance with appropriate guidelines. Our statement of cash flow is reviewed regularly by our Administrator as well as the Finance and Audit committee.

We are in compliance with this policy

EL 8 - FINANCIAL CONDITIONS AND ACTIVITIES

With respect to the actual, ongoing financial condition and activities, the Director of Mission and Ministry shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from the budget. Accordingly he/she shall not:

1. Acquire, encumber, or dispose of real property;
2. Use any restricted funds for any other purpose than that designated by the donor(s);
3. Fail to provide for the Board of Directors an annual external Audited Financial Statement or Review.
4. Fail to provide programming in line with our Mission

Reasonable interpretation of this policy: We are not to sell or acquire land or buildings, use any restricted funds differently than requested. We are to have an audit or review and be sure all programming fits within our Mission. We also shall not cause material deviation from our budget and if it should occur we follow the guidelines in the Policy Handbook. Compliance to this policy is evidenced by our financial statements presented to the Audit committee and to the Province regularly. Compliance is also achieved through an audit or review.

To this end:

- This year there is a deviation of actual expenditures from the budget due to the restricted attendance required for the weekends as well as the restrictions from the Archdiocese regarding overnights and high schools being out of school.
- We have not acquired or disposed of any real property.
- Gordon Advisors completed our review and have presented a letter saying our statements are free from material misstatement.
- All restricted funds including the Campaign and Endowment have been utilized in accord with the donor's specifications. The finance and audit committee review and inspect detailed financial records each month.
- We have removed from reserves this fiscal year the 75k restricted for HVAC controls. This project was supposed to begin in the spring but due to the shutdown was delayed until the end of the summer and completed in January. Our endowment fund earned 11.25% for the last quarter and we have not taken any distributions since September of 2018. It is our intent to let it grow so it will be a steady source of income during a time of greater need. We had a restricted donation of 250k into the endowment fund during the summer. As of Dec. 31, 2020 balances are (\$1,050,538 reserve, \$1,160,464 endowment – currently available from the endowment 202k).
- Hosted groups and Passionist programming are in line with our Mission.
- Below is the comparison we used for qualifying for the second round of the PPP loan. These are calendar quarters and you needed to demonstrate at least a 25% loss in one quarter of the year.

Quarter	2019	2020	Difference
1	\$426,904	\$251,554	(41)%
2	\$347,567	\$228,793	(34)%
3	\$456,735	\$756,803	65%
4	\$594,750	\$415,970	(30)%

We are presently in compliance with this policy.

EL 10 - FUND RAISING AND DEVELOPMENT

With respect to the acquisition and allocation of funds received through fund raising activities or the Mission Advancement program, the Director of Mission and Ministry shall not cause or allow conditions, actions, procedures, or decisions that are imprudent, illegal, and violate professional standards, ethical values, or relevant stewardship responsibilities. In addition, the Director of Mission and Ministry shall not fail to:

1. Develop a fund raising and development program for the Retreat Center's needs
2. Ensure all gifts comply with the Provincial and Retreat Center Gift Acceptance Policy
3. Maintain compliance with National Catholic Development Conference guidelines
Reasonable interpretation of this policy: To have a plan for fundraising, be sure all gifts are in accord with the Provincial policy and to be aware of the NCDC guidelines so we can achieve compliance.

To this end: We had a very successful "purpose fundraiser" in lieu of the golf outing. We netted over 50k since the expenses were minimal. The Christmas campaign was a record event bringing in over 150k. We are considering a Lenten ask and an in-person golf outing this summer. We had "fun-raiser" with the drive through pot roast which went well and we will be doing that again (this week) prior to Lent. All our gifts are received through our director of mission advancement and we comply with the gift acceptance policies. We follow the code of stewardship and ethics as outlined by the NCDC.

We are in compliance with this policy.

EL 11 - COMMUNICATION AND SUPPORT TO THE BOARD

The Director of Mission and Ministry shall not permit the board to be uninformed or unsupported in its work. Accordingly, the Director of Mission and Ministry shall not:

1. Neglect to submit monitoring data required by the board (see policy on Monitoring Executive Performance) in a timely, accurate and understandable fashion;
2. Let the board be uninformed of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which board policy has previously been established;
3. Fail to advise the board if the board is not in compliance with its own policies on Governance Process and Board-Executive Linkage, particularly as it relates to board behavior which is detrimental to the work relationship between the board and the Executive;
4. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the board.

Reasonable interpretation of this policy: We will not let the board be uninformed of material changes, trends or changes in assumptions. We will report according to the pre-set monitoring schedule and add areas as needed to keep the board informed of any noncompliance. Compliance to this policy will be through the monitoring reports, to acknowledge and inform the board of any material changes in assumptions and also if the BEL policies are out of compliance.

To this end:

- We are preparing monitoring reports following the provided schedule and following up with any changes if needed.
- We supplied a detailed update in mid-fall (11/10) along with an updated cash forecast
- There are currently no issues causing adverse media coverage for our Center. We are still in the midst of the Covid pandemic with gathering restrictions as well as significant fear for many groups to gather at all.
- At this time there are no issues with the Board over-stepping or hindering our performance. The committees are working independently of management where needed.
- We do not have any anticipated noncompliance with the current executive limitation or ends policies other than the impacted budget and financial performance due to the pandemic. The policies are reviewed periodically to see how we are going to provide evidence of accomplishment. This review helps to proactively look for any anticipated noncompliance.

We are presently in compliance with this policy.

EL 12 - Emergency CEO Succession

To protect the board and ownership from sudden loss of CEO services in a short term situation up to (180 days), the CEO shall not fail to have an emergency CEO succession plan which identifies one person who is familiar with board and CEO policies and procedures to enable them to take over with reasonable proficiency as an interim successor.

Reasonable Interpretation of this Policy:

We are cross-trained for a small team to be able to continue operations with the absence of leadership for a limited time. Compliance would look like when Fr. Pat is out of the office on his vacation and things run as they normally would.

Evidence of compliance, during the retreat season Faith would step in as retreat director and the team would continue to provide weekend retreat experiences. She would be prepared to coordinate any functions needing a vowed member of the community and is well trained to take on other leadership tasks.

We are in compliance with this policy.